

AMENDED IN SENATE JUNE 1, 2009
AMENDED IN SENATE MAY 5, 2009
AMENDED IN SENATE APRIL 15, 2009
AMENDED IN SENATE APRIL 1, 2009

SENATE BILL

No. 363

Introduced by Senator Hancock

February 25, 2009

An act to amend ~~Sections 25410.6, 25411, and~~ *Section* 25416 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 363, as amended, Hancock. Energy conservation: schools.

~~Existing law establishes the Ratepayer Relief Fund in the State Treasury to benefit electricity and natural gas ratepayers and to fund investigation and litigation costs of the state in pursuing allegations of overcharges and unfair business practices against generators, suppliers, or marketers of electricity or natural gas. Existing law requires that any energy settlement agreement, as defined, entered into by the Attorney General, after reimbursing the Attorney General's litigation and investigation expenses, direct settlement funds to the following purposes in priority order: (1) to reduce ratepayer costs of those utility ratepayers harmed by the actions of the settling parties, and (2) for deposit in the Ratepayer Relief Fund. Existing law authorizes the moneys deposited in the Ratepayer Relief Fund to be appropriated for certain purposes for the benefit of ratepayers.~~

The Energy Conservation Assistance Act of 1979 establishes, until January 1, 2011, the State Energy Conservation Assistance Account, a continuously appropriated account, that is administered by the State

Energy Resources Conservation and Development Commission to provide grants and loans to local government and public institutions, including, among others, schools, to maximize energy use savings.

This bill would establish the Solar School Subaccount in the State Energy Conservation Assistance Account and would ~~require moneys and interest generated by an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, received for energy efficiency retrofit of schools and public buildings, to be deposited into the subaccount~~ *be available for the deposit of funds, including specified federal funds*. The bill would require that the moneys in the subaccount, upon appropriation by the Legislature, be used for the purposes of providing loans to schools for the installation of solar energy systems. ~~The subaccount would also be available for the deposit of funds from other sources, including the American Reinvestment and Recovery Act of 2009, upon appropriation by the Legislature.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 25410.6 of the Public Resources Code~~
- 2 ~~is amended to read:~~
- 3 ~~25410.6. (a) It is the intent of the Legislature that the~~
- 4 ~~commission shall administer the State Energy Conservation~~
- 5 ~~Assistance Account to provide grants and loans to local~~
- 6 ~~governments and public institutions to maximize energy use~~
- 7 ~~savings, including, but not limited to, technical assistance,~~
- 8 ~~demonstrations, and identification and implementation of~~
- 9 ~~cost-effective energy efficiency measures and programs in existing~~
- 10 ~~and planned buildings or facilities.~~
- 11 ~~(b) It is further the intent of the Legislature that the commission~~
- 12 ~~seek the assistance of utility companies in providing energy audits~~
- 13 ~~for local governments and public institutions and in publicizing~~
- 14 ~~the availability of State Energy Conservation Assistance Account~~
- 15 ~~funds to qualified entities.~~
- 16 ~~(c) It is further the intent of the Legislature that the commission~~
- 17 ~~utilizes the Williams Settlement Funds to provide loans at a lower~~
- 18 ~~interest rate to schools.~~

1 ~~SEC. 2. Section 25411 of the Public Resources Code is~~
2 ~~amended to read:~~

3 ~~25411. As used in this chapter:~~

4 ~~(a) “Allocation” means a loan of funds by the commission~~
5 ~~pursuant to the procedures specified in this chapter.~~

6 ~~(b) “Building” means any existing or planned structure that~~
7 ~~includes a heating or cooling system, or both. Additions to an~~
8 ~~original building shall be considered part of that building rather~~
9 ~~than a separate building.~~

10 ~~(c) “Eligible institution” means a school, hospital, public care~~
11 ~~institution, or a unit of local government.~~

12 ~~(d) “Energy audit” means a determination of the energy~~
13 ~~consumption characteristics of a building or facility that does all~~
14 ~~of the following:~~

15 ~~(1) Identifies the type, size, and energy use level of the building~~
16 ~~or facility and the major energy using systems of the building or~~
17 ~~facility.~~

18 ~~(2) Determines appropriate energy conservation maintenance~~
19 ~~and operating procedures.~~

20 ~~(3) Indicates the need, if any, for the acquisition and installation~~
21 ~~of energy conservation measures.~~

22 ~~(e) “Energy conservation maintenance and operating procedure”~~
23 ~~means a modification or modifications in the maintenance and~~
24 ~~operations of a building or facility, and any installations therein~~
25 ~~(based on the use time schedule of the building or facility), which~~
26 ~~are designed to reduce energy consumption in the building or~~
27 ~~facility and that require no significant expenditure of funds.~~

28 ~~(f) “Energy conservation measure” means an installation or~~
29 ~~modification of an installation in a building or facility that is~~
30 ~~primarily intended to reduce energy consumption or allow the use~~
31 ~~of a more desirable energy source.~~

32 ~~(g) “Energy conservation project” means an undertaking to~~
33 ~~acquire and to install one or more energy conservation measures~~
34 ~~in a building or facility, and technical assistance in connection~~
35 ~~with that undertaking.~~

36 ~~(h) “Facility” means any major energy using system of an~~
37 ~~eligible institution whether or not housed in a building.~~

38 ~~(i) “Hospital” means a public or nonprofit institution that is both~~
39 ~~of the following:~~

1 ~~(1) A general hospital, tuberculosis hospital, or any other type~~
2 ~~of hospital, other than a hospital furnishing primarily domiciliary~~
3 ~~care.~~

4 ~~(2) Duly authorized to provide hospital services under the laws~~
5 ~~of this state.~~

6 ~~(j) “Hospital building” means a building housing a hospital and~~
7 ~~related operations, including laboratories, laundries, outpatient~~
8 ~~departments, nurses’ home and training activities, and central~~
9 ~~service operations in connection with a hospital, and also includes~~
10 ~~a building housing education or training activities for health~~
11 ~~professions personnel operated as an integral part of a hospital.~~

12 ~~(k) “Local government building” means a building that is~~
13 ~~primarily occupied by offices or agencies of a unit of local~~
14 ~~government or by a public care institution.~~

15 ~~(l) “Project” means a purpose for which an allocation may be~~
16 ~~requested and made under this chapter. Those purposes shall~~
17 ~~include energy audits, energy conservation and operating~~
18 ~~procedures, and energy conservation measures in existing and~~
19 ~~planned buildings and facilities, energy conservation projects, and~~
20 ~~technical assistance programs.~~

21 ~~(m) “Public care institution” means a public or nonprofit~~
22 ~~institution that owns:~~

23 ~~(1) A long-term care institution.~~

24 ~~(2) A rehabilitation institution.~~

25 ~~(3) An institution for the provision of public health services,~~
26 ~~including related publicly owned services such as laboratories,~~
27 ~~clinics, and administrative offices operated in connection with the~~
28 ~~institution.~~

29 ~~(4) A residential child care center.~~

30 ~~(n) “Public or nonprofit institution” means an institution owned~~
31 ~~and operated by:~~

32 ~~(1) The state, a political subdivision of the state, or an agency~~
33 ~~or instrumentality of either.~~

34 ~~(2) An organization exempt from income tax under Section~~
35 ~~501(c)(3) of the Internal Revenue Code of 1954.~~

36 ~~(3) In the case of public care institutions, an organization also~~
37 ~~exempt from income tax under Section 501(c)(4) of the Internal~~
38 ~~Revenue Code of 1954.~~

39 ~~(o) “School” means a public or nonprofit institution, including~~
40 ~~a local educational agency, which:~~

1 ~~(1) Provides, and is legally authorized to provide, elementary~~
2 ~~education or secondary education, or both, on a day or residential~~
3 ~~basis.~~

4 ~~(2) Provides, and is legally authorized to provide, a program of~~
5 ~~education beyond secondary education, on a day or residential~~
6 ~~basis and meets all of the following requirements:~~

7 ~~(A) Admits as students only persons having a certificate of~~
8 ~~graduation from a school providing secondary education, or the~~
9 ~~recognized equivalent of that certificate.~~

10 ~~(B) Is accredited by a nationally recognized accrediting agency~~
11 ~~or association.~~

12 ~~(C) Provides an education program for which it awards a~~
13 ~~bachelor's degree or higher degree or provides not less than a~~
14 ~~two-year program that is acceptable for full credit toward a degree~~
15 ~~at any institution that meets the requirements of subparagraphs~~
16 ~~(A) and (B) and provides that program.~~

17 ~~(3) Provides not less than a one-year program of training to~~
18 ~~prepare students for gainful employment in a recognized occupation~~
19 ~~and that meets the provisions of (2).~~

20 ~~(p) "School building" means a building housing classrooms,~~
21 ~~laboratories, dormitories, athletic facilities, or related facilities~~
22 ~~operated in connection with a school.~~

23 ~~(q) "Technical assistance costs" means costs incurred for the~~
24 ~~use of existing personnel or the temporary employment of other~~
25 ~~qualified personnel, or both, necessary for providing technical~~
26 ~~assistance.~~

27 ~~(r) "Technical assistance program" means assistance to schools,~~
28 ~~hospitals, local government, and public care institutions and~~
29 ~~includes, but is not limited to:~~

30 ~~(1) Conducting specialized studies identifying and specifying~~
31 ~~energy savings and related cost savings that are likely to be realized~~
32 ~~as a result of:~~

33 ~~(A) Modification of maintenance and operating procedures in~~
34 ~~a building or facility, in addition to those modifications~~
35 ~~implemented after the preliminary energy audit, or~~

36 ~~(B) Acquisition and installation of one or more specified energy~~
37 ~~conservation measures in the building or facility, or as a result of~~
38 ~~both.~~

39 ~~(C) New construction activities.~~

~~(2) Planning of specific remodeling, renovation, repair, replacement, or insulation projects related to the installation of energy conservation measures in the building or facility.~~

~~(3) Developing and evaluating alternative project implementation methods and proposals.~~

~~(s) “Unit of local government” means a unit of general purpose government below the state or a special district.~~

~~(t) “Williams Settlement Funds” means any moneys obtained, and any interest generated by the moneys, through the settlement of litigation with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, made and entered into as of November 11, 2002, and received for energy efficiency retrofit of schools and public buildings.~~

~~SEC. 3.~~

SECTION 1. Section 25416 of the Public Resources Code is amended to read:

25416. (a) The State Energy Conservation Assistance Account is hereby created in the General Fund. Notwithstanding Section 13340 of the Government Code, the account is continuously appropriated to the commission without regard to fiscal year.

(b) The money in the account shall consist of all money authorized or required to be deposited in the account by the Legislature and all money received by the commission pursuant to Sections 25414 and 25415.

(c) The money in the account shall be disbursed by the Controller for the purposes of this chapter as authorized by the commission.

(d) The commission may contract and provide grants for services to be performed for eligible institutions. Services may include, but are not limited to, feasibility analysis, project design, field assistance, and operation and training. The amount expended for those services may not exceed 10 percent of the balance of the account as determined by the commission on July 1 of each year.

(e) The commission may make grants for innovative projects and programs. The amount expended for grants may not exceed 5 percent of the annual appropriation from the account.

(f) The commission may charge a fee for the services provided under subdivision (d).

(g) Notwithstanding any other provision of law, the Controller may use the State Energy Conservation Assistance Account for

1 loans to the General Fund as provided in Sections 16310 and 16381
2 of the Government Code.

3 (h) The Solar School Subaccount is hereby established in the
4 State Energy Conservation Assistance Account. ~~Notwithstanding~~
5 ~~Section 16428.3 of the Government Code, the Williams Settlement~~
6 ~~Funds shall be deposited into the subaccount and upon~~
7 ~~appropriation by the Legislature, shall be used for loans at an~~
8 ~~interest rate no higher than 1.5 percent to schools to utilize for the~~
9 ~~installation of solar energy systems pursuant to this chapter. The~~
10 ~~subaccount shall also be available for the deposit of funds from~~
11 ~~other sources, including, but not limited to, the American~~
12 ~~Reinvestment and Recovery Act of 2009 (Public Law 111-5), upon~~
13 ~~appropriation by the Legislature. The subaccount shall be available~~
14 ~~for the deposit of funds, including, but not limited to, the American~~
15 ~~Reinvestment and Recovery Act of 2009 (Public Law 111-5). Funds~~
16 ~~in the subaccount, upon appropriation by the Legislature, shall~~
17 ~~be used for loans at an interest rate no higher than 1.5 percent to~~
18 ~~schools to utilize for the installation of solar energy systems~~
19 ~~pursuant to this chapter.~~